

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

BEFORE THE INDIANA
COMMISSIONER OF INSURANCE

CAUSE NUMBER: 16434-IA17-1109-005

IN THE MATTER OF:

Sedgwick Claims Management
Services, Inc.
1100 Ridgeway Loop Road, Suite 200
Memphis, TN 38120

Respondent

License Number: 791763
Nonresident Independent Adjuster

Type of Agency Action: Enforcement

FILED

JAN 26 2018

**STATE OF INDIANA
DEPT. OF INSURANCE**

FINAL ORDER

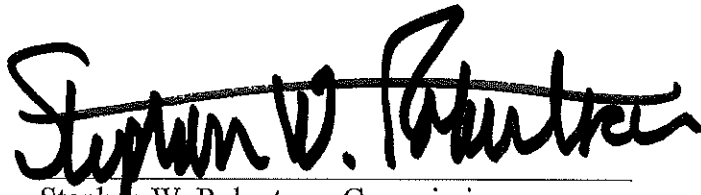
The Indiana Department of Insurance ("Department"), by its counsel, Claire Szpara, and Sedgwick Claims Management Services ("Respondent"), a nonresident independent adjuster business entity licensed to do business in Indiana, signed an Agreed Entry which purports to resolve all issues involved in the action by the Department regarding Respondent's allowing candidates to receive non-permissible assistance on the Indiana independent adjuster licensing exam being administered at Respondent's Hoffman Estates, IL office, and which has been submitted to the Commissioner of Insurance ("Commissioner") for approval.

The Commissioner, after reviewing the Agreed Entry, which imposes a \$200,000 administrative penalty and requires implementation of a corrective action plan, finds it has been entered into fairly and without fraud, duress or undue influence, and is fair and equitable between the parties. The Commissioner hereby incorporates the Agreed Entry as if fully set forth herein, and approves and adopts in full the Agreed Entry as a resolution of this matter.

IT IS THEREFORE ORDERED by the Commissioner of Insurance:

1. Respondent shall pay an administrative penalty in the amount of two hundred thousand dollars (\$200,000), due within thirty days (30) after the signing of this Final Order.
2. Respondent shall begin implementation of the agreed corrective action plan within thirty days (30) after the signing of this Final Order.

ALL OF WHICH IS ORDERED this 26 day of January, 2018.

A handwritten signature in black ink, reading "Stephen W. Robertson". The signature is written in a cursive, flowing style with a horizontal line drawn across the middle of the name.

Stephen W. Robertson, Commissioner
Indiana Department of Insurance

Distribution:

Claire Szpara
INDIANA DEPARTMENT OF INSURANCE
311 West Washington Street, Suite 300
Indianapolis, Indiana 46204-2787

Sedgwick Claims Management Services
1100 Ridgeway Loop Road, Suite 200
Memphis, TN 38120

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JAN 05 2010

STATE OF INDIANA
DEPT. OF INSURANCE

AGREED ENTRY

This Agreed Entry is executed by and between the Enforcement Division of the Indiana Department of Insurance ("Department"), by counsel, Claire Szpara, and Sedgwick Claims Management, Inc. ("Respondent"), a nonresident independent adjuster business entity licensed to do business in Indiana, to resolve all issues in the above captioned matter. This Agreed Entry is subject to the review and approval of Stephen W. Robertson, Commissioner for the Indiana Department of Insurance ("Commissioner").

WHEREAS, Respondent is a licensed Indiana nonresident independent adjuster holding license number 791763;

WHEREAS, during investigation of a complaint, the Department became aware of an allegation that a manager for Respondent's Hoffman Estates, IL office ("Hoffman Estates") participated in allowing candidates to receive assistance on the Indiana independent adjuster licensing exam, which was being administered at Respondent's office;

WHEREAS, a subsequent Department investigation identified thirteen (13) adjusters who were witnessed or admitted receiving assistance or using study materials to take the Indiana online Adjuster Pro independent adjusters' license exam at Hoffman Estates;

WHEREAS, a Hoffman Estates supervisor admitted to assisting candidates in taking the examination;

WHEREAS, Respondent's compliance management personnel worked with the Department to confirm the substance of the allegation and the Department's investigation;

WHEREAS, Indiana Code § 27-4-1-2 defines person as any individual, corporation, or company including adjusters;

WHEREAS, Indiana Code § 27-4-1-8 states that whenever the Commissioner shall have reason to believe that any person engaged in the business of insurance is engaging in this state in any method of competition or in any act or practice in the conduct of such business which is not defined in section 4 of this chapter, that such method of competition is unfair, or that such act or practice is unfair or deceptive, the Commissioner may bring charges;

WHEREAS, Indiana Code § 27-1-28-10 is an insurance law which says a person shall not act as an independent adjuster, or hold themselves out as an independent adjuster in Indiana, unless the person is licensed;

WHEREAS, Indiana Code § 27-1-28-18(b)(11) makes using notes or reference material to complete an examination for an insurance license subject to penalties;

WHEREAS, the conduct committed by the applicants and supervisors in the Hoffman Estates office committed a licensing violation under 27-1-28-18(b)(11);

WHEREAS, Indiana Code § 27-4-1-6 gives the Commissioner authority to levy a civil penalty of no more than \$50,000 for each violation the person knew or should have known was taking place;

WHEREAS, Indiana Code § 27-1-28-18(d) gives the Commissioner authority to bring action against a business entity and to levy a civil penalty of no more than \$10,000 for each violation if the business entity for whom the individual license adjuster worked if:

(1) the individual licensed independent adjuster designated by the business entity under section 13(b)(2) of this chapter as being responsible for the business entity's compliance with Indiana insurance law committed a violation described in subsection (b) while acting on behalf of or representing the business entity;

(2) the violation was known or should have been known by at least one (1) of the business entity's partners, officers, or managers;

(3) the violation was not reported to the commissioner; and

(4) the business entity did not take corrective action.

WHEREAS, the Department acknowledges that the Respondent took immediate corrective action upon being advised of the alleged improprieties in its Hoffman Estates office and was cooperative with the Department and assisted in the investigation fully.

WHEREAS, Jason P. Hood, Chief Legal Officer of Sedgwick Claims Management Services, Inc., is authorized to act on behalf of Respondent and obligate it to perform in accordance with this agreement; and

WHEREAS, the Department and Respondent (collectively, the "Parties") desire to resolve their differences and settle the issues without the necessity of an administrative hearing.

IT IS THEREFORE NOW AGREED by and between the Parties as follows:

1. The Commissioner has jurisdiction over the subject matter and the Parties in this Agreed Entry.
2. This Agreed Entry is executed voluntarily by the Parties.
3. Respondent voluntarily and freely waives its right to a public hearing on this matter.
4. Respondent voluntarily and freely waives its right to judicial review of this matter.
5. Respondent agrees to pay an administrative penalty in the amount of two hundred thousand dollars (\$200,000) to the Department within thirty (30) days of the Commissioner's Final Order adopting this Agreed Entry.
6. The Department agrees to accept Respondent's corrective action plan, attached as Exhibit A, which is incorporated into this agreement by reference.
7. Respondent agrees to arrange for all identified Hoffman Estate independent adjuster employees who allegedly received assistance on the Indiana exam to retake the Indiana independent adjuster licensing exam, the time frame for which will be incorporated into separate agreed entries with each of the affected adjusters. Respondent agrees that any adjuster who does not pass the license exam within the specified time frame will not be employed as an independent adjuster by Respondent.
8. Respondent agrees that all Indiana independent adjuster licensing exams for Hoffman Estates employees shall be given at independently proctored sites until otherwise ordered by the Commissioner. This requirement applies only to the Indiana independent adjuster license exam, and not to continuing education courses.
9. The Department agrees to accept Respondent's compliance with the terms of this Agreed Entry herein as full satisfaction of the independent adjuster exam allegations.

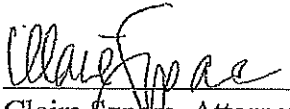
10. Respondent has carefully read and examined this Agreed Entry and fully understands its terms.

11. Respondent has entered into this Agreed Entry freely, and has not been subject to duress, threat or undue influence.

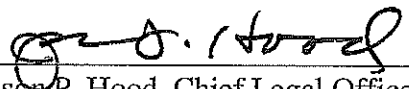
12. Should this Agreed Entry not be accepted by the Commissioner, it is agreed that presentation to and consideration of this Agreed Entry by the Commissioner shall not unfairly or illegally prejudice the Commissioner from further participation in or resolution of these proceedings.

13. Respondent is aware that failure to comply with any term of this agreement will result in the matter being set for hearing.

1.3.18
Date Signed


Claire Szpara, Attorney (Atty # 34219-64)
Indiana Department of Insurance

1/2/18
Date Signed


Jason P. Hood, Chief Legal Officer
Sedgwick Claims Management Services, Inc.

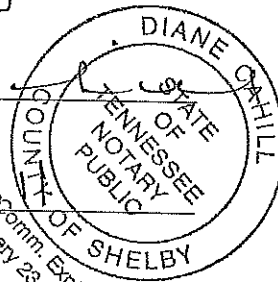
STATE OF TENNESSEE)
) SS:
COUNTY OF Shelby)

Before me a Notary Public for Shelby County, Tennessee, personally appeared Jason P. Hood, on behalf of Sedgwick Claims Management Services, Inc., and being first duly sworn by me upon his oath, says that the facts alleged in the foregoing instrument are true.

Signed and sealed this 2nd day of January, 2018

Diane C. Cahill
Signature

Diane C. Cahill
Printed



My Commission expires: 2/23/19

County of Residence: Shelby

Return executed originals to:
INDIANA DEPARTMENT OF INSURANCE
Enforcement Division, Suite 103
311 West Washington Street
Indianapolis, IN 46204-2787
317/233-4243 - telephone
317/232-5251 - facsimile